

Senate File 2276

S-5075

1 Amend Senate File 2276 as follows:

2 2. By striking everything after the enacting clause and
3 inserting:

4 <Section 1. Section 135N.1, Code 2022, is amended by
5 striking the section and inserting in lieu thereof the
6 following:

7 **135N.1 Direct health care agreements.**

8 1. *Definitions.* For the purpose of this section:

9 a. "*Direct health care agreement*" means an agreement between
10 a provider and a patient, or the patient's representative, in
11 which the provider agrees to provide health care services for a
12 specified period of time to the patient for a service charge.

13 b. "*Durable power of attorney for health care*" means the same
14 as defined in section 144B.1.

15 c. "*Health care services*" means services for the diagnosis,
16 prevention, treatment, cure, or relief of a health condition,
17 illness, injury, or disease. "*Health care services*" includes
18 dental care services.

19 d. "*Patient*" means an individual, or an individual and the
20 individual's immediate family, that is a party to a direct
21 health care agreement.

22 e. "*Patient's representative*" means a parent, guardian, or
23 an individual holding a durable power of attorney for health
24 care for a patient.

25 f. "*Provider*" means a health care professional licensed,
26 accredited, registered, or certified to perform health care
27 services consistent with the laws of this state. "*Provider*"
28 includes an individual health care professional or other
29 legal health care entity alone or with other health care
30 professionals professionally associated with the individual
31 health care professional or other legal health care entity.

32 g. "*Service charge*" means a charge for health care services
33 provided by a provider to a patient covered by a direct health
34 care agreement. "*Service charge*" may include a periodic
35 retainer, a membership fee, a subscription fee, or a charge in

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(amending this SF 2276 to CONFORM to HF 2200)

1 any other form paid by a patient to a provider under a direct
2 health care agreement.

3 2. *Requirements for a valid direct health care agreement.*

4 a. In order to be a valid agreement, a direct health care
5 agreement must meet all of the following requirements:

6 (1) Be in writing.

7 (2) Be signed by the provider, or an agent of the provider,
8 and the patient or the patient's representative.

9 (3) Describe the scope of the health care services covered
10 by the direct health care agreement.

11 (4) State each of the provider's locations where a patient
12 may obtain health care services and specify any out-of-office
13 health care services that are covered under the direct health
14 care agreement.

15 (5) Specify the service charge and the frequency at which
16 the service charge must be paid by the patient. A patient
17 shall not be required to pay more than twelve months of a
18 service charge in advance.

19 (6) Specify any additional costs for health care services
20 not covered by the service charge for which the patient will
21 be responsible.

22 (7) Specify the duration of the direct health care
23 agreement, whether renewal is automatic, and if required, the
24 procedure for renewal.

25 (8) Specify the terms and conditions under which the direct
26 health care agreement may be terminated by the provider.
27 A termination of the direct health care agreement by the
28 provider shall include a minimum of a thirty-calendar-day
29 advance, written notice to the patient or to the patient's
30 representative.

31 (9) Specify that the direct health care agreement may be
32 terminated at any time by the patient upon written notice to
33 the provider.

34 (10) State that if the direct health care agreement is
35 terminated by either the patient or the provider all of the

1 following apply:

2 (a) Within thirty calendar days of the date of the notice of
3 termination from either party, the provider shall refund all
4 unearned service charges to the patient.

5 (b) Within thirty calendar days of the date of the notice
6 of termination from either party, the patient shall pay all
7 outstanding earned service charges to the provider.

8 (11) Include a notice in bold, twelve-point type that states
9 substantially as follows:

10 NOTICE. This direct health care agreement is not health
11 insurance and is not a plan that provides health coverage for
12 purposes of any federal mandates. This direct health care
13 agreement only covers the health care services described in
14 this agreement. It is recommended that you obtain health
15 insurance to cover health care services not covered under this
16 direct health care agreement. You are personally responsible
17 for the payment of any additional health care expenses you may
18 incur.

19 b. The provider shall provide the patient, or the patient's
20 representative, with a fully executed copy of the direct health
21 care agreement at the time the direct health care agreement is
22 executed.

23 3. *Application for a direct health care agreement.* If
24 a provider requires a prospective patient to complete an
25 application for a direct health care agreement, the provider
26 shall provide a written disclaimer on each application that
27 informs the prospective patient of the patient's financial
28 rights and responsibilities and that states that the provider
29 will not bill a health insurance carrier for health care
30 services covered under the direct health care agreement. The
31 disclaimer shall also include the identical notice required by
32 subsection 2, paragraph "a", subparagraph (11).

33 4. *Notice required for changes to the terms or conditions of*
34 *a direct health care agreement.*

35 a. A provider shall provide at least a sixty-calendar-day

1 advance, written notice to a patient of any of the following
2 changes to a direct health care agreement:

3 (1) Any change in the scope of the health care services
4 covered under the agreement.

5 (2) Any change in the provider's locations where the patient
6 may access health care services.

7 (3) Any change in the out-of-office services that are
8 covered under the direct health care service agreement.

9 (4) Any change in the service charge.

10 (5) Any change in the additional costs for health care
11 services not covered by the service charge.

12 (6) Any change in the renewal terms.

13 (7) Any change in the terms to terminate the agreement.

14 b. A provider shall provide the notice by mailing a letter
15 to the last known address of the patient that the provider has
16 on file. The postmark date on the letter shall be the first day
17 of the required sixty-calendar-day notice period.

18 5. *Discrimination based on an individual's health status*
19 *or preexisting condition.* A provider shall not do any of
20 the following based on a patient's or prospective patient's
21 preexisting condition or health status:

22 a. Refuse to accept a new patient.

23 b. Refuse to renew a direct health care agreement.

24 c. Establish an additional service charge for a direct
25 health care agreement.

26 6. *A direct health care agreement is not insurance.*

27 a. A direct health care agreement shall be deemed to not
28 be insurance and shall not be subject to the authority of the
29 commissioner of insurance. Neither a provider or an agent of a
30 provider shall be required to be licensed by the commissioner
31 to transact the business of insurance in this state, or to
32 obtain a certificate issued by the commissioner to market or
33 offer a direct health care agreement.

34 b. A provider shall not bill an insurer for a health care
35 service provided under a direct health care agreement. A

1 patient may submit a request for reimbursement to an insurer
2 if permitted under the patient's policy of insurance. This
3 paragraph does not prohibit a provider from billing a patient's
4 insurance for a health care service provided to the patient by
5 the provider that is not covered under the direct health care
6 agreement.

7 7. *Third-party payment of a service charge.* A provider
8 may accept payment of a service charge for a patient either
9 directly or indirectly from a third party. A provider may
10 accept all or part of a service charge paid by an employer
11 on behalf of an employee who is a patient of the provider.
12 A provider shall not enter directly into an agreement with
13 an employer relating to a health care agreement between the
14 provider and employees of the employer, other than an agreement
15 to establish the timing and method of the payment of a service
16 charge paid by the employer on behalf of the employee.

17 8. *Sale or transfer of a direct health care agreement.* A
18 direct health care agreement shall not be sold or transferred
19 by a provider without the prior written consent of the patient
20 who is a party to the direct health care agreement. A patient
21 shall not sell or transfer a direct health care agreement to
22 which the patient is a party.

23 Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate
24 importance, takes effect upon enactment.

25 Sec. 3. APPLICABILITY. This Act applies to direct health
26 care agreements that are fully executed on or after the date
27 of enactment.>

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